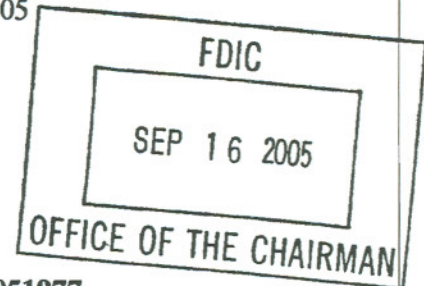


Baylor Bancshares, Inc.

Gene D. Adams
Chairman of the Board & President
mac11@baylorbancshares.com

August 30, 2005

Honorable Donald E. Powell
Chairman
Federal Deposit Insurance Corp.
550 17th Street N.W.
Washington, DC 20426



RE: WAL-MART STORES, INC. FDIC APPLICATION #20051977

Dear Don,

As one old banker to another, who has seen the worst, as well as the best, I don't think I need to take much of your time to refresh your memory regarding the future detriment of the above. Wal-Mart has done a magnificent job of marketing their stores nation wide. However, this was done at the expense of small businesses and the "Mom and Pop" stores. I am sure you can remember when Wal-Mart moved into Childress, Texas. This forced several small businesses to close. I am also sure that you are aware of the fact that small businesses are holding up the business end of our national economy.

If Wal-Mart is allowed to enter the banking business, in any form, anywhere, I am sure it will have a tremendous downward affect on our community banks.

It is also suspicious that a large portion of their application is in the confidential section. This tells me they are trying to hide something.

Well, Don I won't bore you any longer, even though I could fill up several pages with facts that would certainly support a negative decision to the above application.

You are doing an excellent job, and I am glad you are where you are.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Gene".

Gene D. Adams
Chairman of the Board & President

GDA/tar